

U.S. BANKRUPTCY COURT
District of South Carolina

Case Number: 19-00173-JW

ORDER STAYING LITIGATION

The relief set forth on the following pages, for a total of 3 pages including this page, is hereby **ORDERED**.

FILED BY THE COURT
02/18/2020



US Bankruptcy Judge
District of South Carolina

Entered: 02/18/2020

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA**

In re:

Rhett Weathers,

Debtor.

Case No. 19-00173-jw
Chapter 13

ORDER STAYING LITIGATION

This matter came before the Court on the motion of the Acting United States Trustee for Region Four (the “UST”) in which the UST requested an order staying the litigation regarding the show cause hearing of Synergy Law, LLC (“Synergy”) until further order of the Court.

On March 22, 2019, the UST filed his motion seeking relief against Synergy for its assistance to Rhett Weathers in the above referenced bankruptcy case as a bankruptcy petition preparer (the “110 Motion”). On April 25, 2019, the Court held a hearing on the 110 Motion at which the debtor, Rhett Weathers, and Charles Prescott, the debtor’s purported attorney, appeared and testified under oath.

Based on the pleadings filed and the evidence submitted, on May 20, 2019, the Court issued an order requiring Synergy to pay: (a) \$7,500 in fines to the United States Trustee, (b) \$4,674 to Mr. Weathers, and (c) \$3,000 in civil penalties (the “Sanction Order”). The funds were to be paid within 30 days of the entry of the Sanction Order. The Sanction Order also enjoined Synergy from appearing in or assisting with any potential or existing bankruptcy case in the District of South Carolina until further order of the Court. The Sanction Order was served on May 20, 2019. Synergy failed to comply with the Sanction Order.

On July 8, 2019, the UST filed a motion for an order to show cause requiring a representative of Synergy to appear and explain why Synergy should not be held in civil

contempt and why additional fines and penalties should not be imposed for its failure to comply with the Sanction Order. On July 10, 2019, the Court issued a show cause order (“Show Cause Order”). In the Show Cause Order, the Court scheduled a hearing on September 5, 2019.

Synergy filed for chapter 7 relief under the Bankruptcy Code in District of Columbia on August 16, 2019. As a result, the UST requested that the hearing on the Show Cause Order be continued, which the Court granted.

Synergy failed to timely file its schedules and statements in its bankruptcy case and the meeting of creditors was continued, resulting in further requests for continuances by the UST to determine if Synergy’s case would continue.

On November 22, 2019, the United States Trustee filed a motion seeking to dismiss Synergy’s bankruptcy case, to which objections were filed. A hearing on the motion to dismiss was held on January 8, 2020 in the Bankruptcy Court for the District of Columbia. The hearing on the motion to dismiss has been continued to March 18, 2020. Therefore, Synergy’s bankruptcy case is still pending.

The UST has requested that the litigation regarding the Show Cause Order be stayed to avoid further requests for continuances and to allow Synergy’s bankruptcy case to continue to be monitored.

Based on the circumstances, the Court grants the UST’s motion to stay the litigation on the Show Cause Order until further order of the Court. The UST or Synergy may seek to restore the litigation on the Show Cause Order to the active roster on or before June 20, 2020.

AND IT IS SO ORDERED.